

**GOVERNMENT OF INDIA  
COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:886  
ANSWERED ON:29.07.2005  
FRAUDULANT COMPANIES QUESTION .  
Jha Shri Raghunath

**Will the Minister of COMPANY AFFAIRS be pleased to state:**

to the reply given to Unstarred Question No. 742 replied on March 4, 2005 regarding investigation of fraudulent companies and state:

- (a) the details of the investigation report; and
- (b) the action taken by the Government on the report ?

**Answer**

MINISTER OF COMPANY AFFAIRS(SHRI PREM CHAND GUPTA)

(a) & (b) The investigation of M/s Xerox Modi Corp Ltd was carried out by an inspector appointed by the Central Government u/s 237 of the Companies Act, 1956. The report was received on 8th June 2004. After examination of the report, prosecution for thirteen (13) violations of various provisions of the Companies Act, 1956 as were identified in the report, has since been ordered.

The copies of the investigation report were provided to the Central Bureau of Investigation (CBI), the Central Board of Excise and Customs and the Directorate of Enforcement in the Department of Revenue who were advised to proceed against the company and its Directors for violation of the Acts under their respective jurisdiction such as Prevention of Corruption Act, 1988, Indian Penal Code, 1860, Customs Act, 1962, Central Excise Act, 1944, Foreign Exchange Regulation Act, 1973, Foreign Exchange Management Act, 1999 etc..